



BUSINESS & INDUSTRY ASSOCIATION
New Hampshire's Statewide
Chamber of Commerce

**GOFERR Legislative Advisory Board
Conference Call
CONCERNS OVER REOPENING STATE'S ECONOMY
April 22, 2020**

**Testimony of Jim Roche
Business & Industry Association
*New Hampshire's Statewide Chamber of Commerce
New Hampshire Manufacturing Association***

Commissioner Little and Members of the Legislative Advisory Board to the Governor's Office for Emergency Relief & Recovery:

Thank you for the opportunity to provide input from the Business & Industry Association of New Hampshire as you contend with fully "reopening" New Hampshire's economy and the allocation of federal stimulus dollars. As background, BIA wears two hats—statewide chamber of commerce and statewide manufacturing association. We represent 400 leading employers across the state in most economic sectors. While we are very proud of our large members, it might surprise you to learn that nearly 70% of our members have an annual payroll of \$3 million or less. Collectively, BIA members employ 93,000 New Hampshire residents, or one in eight private workforce jobs.

Before I address Commissioner Little's key question, "How have BIA members been affected by the coronavirus?," I have some preliminary thoughts I would like to share:

Additions to GOFERR Stakeholder Advisory Group & Governor's Economic Reopening Task Force

Currently, the Stakeholder Advisory Group to GOFERR and the Governor's Economic Reopening Task Force have no representation from the manufacturing or technology sectors. Manufacturing by itself drives New Hampshire's economy in ways no other sector does. These groups should include representation from at least these two additional sectors.

Workplace Health Guidelines

Workplace health guidelines are needed for essential and non-essential businesses. Many employers, especially non-essential employers who are not operating, are confused and unsure how to go about returning to "normal" or reopening. We were pleased to see yesterday's announcement of the formation of the Governor's Economic Reopening Task Force, a group that will presumably address many of these concerns. As noted above, we would like to see representatives on the Task Force from manufacturing and technology, among other sectors.

Financial Assistance

All employers, including non-essential small businesses, hospitals, and others are going to need help coming out of the COVID-19 economic "shut-down." Hospitals have hemorrhaged money as they shut down elective surgeries in preparation for the coronavirus caseload surge. Fortunately, the state is

PROMOTING A HEALTHY CLIMATE FOR JOB CREATION AND A STRONG NEW HAMPSHIRE ECONOMY

responding to their predicament. Most other employers are struggling with reduced revenue or no income at all. The state should consider using federal stimulus money to help employers source and cover the cost of safety and testing equipment. Examples include forehead thermometers, plexiglass shielding, gloves, masks, etc. Employers may need assistance with property tax payments or other fixed costs as well. And of course the hospitality industry will need aggressive promotional help once New Hampshire has returned to "normal" to rebuild its customer base.

Liability Concerns

Employers are increasingly worried about workplace liability related to COVID-19. One BIA member offered this example:

We have 29 employees. In a small company if one person gets tested positive for Covid-19 they have probably interacted with most everyone in the company. So, does everyone have to go home and quarantine? Then the business shuts down. Two weeks later you bring people back and someone else tests positive (even if they don't have symptoms), then you must shut down again. It puts business owners in a terrible position. If we tell people they don't have to go home, or tell them not to go home, we could be liable.

State policy makers should create statutory immunity (i.e. a legal safe harbor) for businesses that act in good faith and follow federal and state health guidelines during this pandemic. Without it, some businesses will be deterred from reopening or slow to reopen, and others will be slow to return to pre-pandemic operations. BIA is considering creating a Business Liability Working Group to provide advice and counsel to lawmakers on this issue.

Business Taxes

Without question, business tax receipts and other important state tax revenues are falling as a result of the shrinking economy brought on by the pandemic. Through no fault of their own, many businesses throughout the state have lost customers and revenue. Many are closing. To enact BPT and BET tax increases at this time (as current state law calls for if state revenues are 6% below budgeted expectations) would be extremely insensitive to the struggles of employers of all sizes and will adversely impact their ability to rehire employees at the very time rehiring is desperately needed. It would also be counterproductive to a quick economic recovery.

Unemployment Insurance Taxes

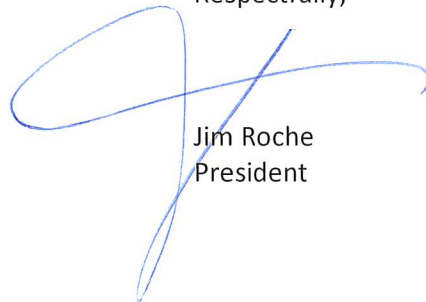
It's clear that massive increases in the ranks of unemployed due to COVID-19 is having a dramatic, negative effect on the state's unemployment insurance trust fund balance. Positive rated employers (those that have not caused a drawdown in the trust fund) will see their unemployment taxes automatically increase as trust fund balance thresholds that trigger tax decreases are lost. Similar to our concerns over increasing business taxes, increasing unemployment insurance taxes is highly counterproductive in the current environment. State policy makers must find ways to mitigate such increases.

BIA Member Survey Results

- Survey ongoing, 25% response to date
- 11% have shut down as a result of the stay-at-home order
- 22% have reduced staff
 - Another 15% think it is likely they will
- 44% have employees who refuse or are unable to work
- 13% have awarded hazard pay (or something similar) to encourage people to continue working
- 82% reported lost revenue
 - 42% reported between 11-25% lost revenue
 - 13% reported over 50% lost revenue

Again, Commissioner Little and Members of the Legislative Advisory Board to the Governor' Office for Emergency Relief & Recovery, thank you for the opportunity to provide this input today. Please know the Business & Industry Association stands ready to assist you in your formidable challenge in any way we can.

Respectfully,

A handwritten signature in blue ink, appearing to be 'Jim Roche', written over the typed name and title.

Jim Roche
President